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TAGS: [ENRG](#) [EPET](#) [ETTC](#) [ETRD](#) [PREL](#) [NL](#) [IR](#)

SUBJECT: NETHERLANDS/IRAN: PHILIPS NOT ACTIVE IN IRAN'S ENERGY  
SECTOR

Ref: (A) 08 STATE 125579, (B) THE HAGUE 2, (C)  
GRAY-NEPHEW-COULTER-GROEN EMAILS 02/02/09

11. (U) This cable contains proprietary company information. Please protect accordingly.

12. (SBU) Summary: In response to questions regarding its possible licensing of LNG technology to Iran, Royal Philips Electronics emphasized that it has no activities whatsoever in the LNG field, especially not in Iran. Philips does export some lighting, consumer electronics, and medical equipment to Iran, but always in accordance with international export control laws. End summary.

13. (SBU) Econoff met January 28 with Mr. Guy Kerpen, Director of Government Relations, and Mr. Wolter Boerman, Vice President of Corporate Export Controls and Supply Chain Security, at Royal Philips Electronics. Per Ref A request, Econoff sought information about Philips' possible provision to Iran of licensing for LNG projects. The Philips representatives said the company had no activities whatsoever in LNG or energy production in general, "let alone" with Iran. Boerman said he had reviewed Philips' historical records to confirm the company had never been involved in researching, developing, producing, or marketing any type of LNG technology. He also contacted Philips' office in Dubai to confirm that it had never discussed conducting LNG-related activities with Iran.

14. (SBU) Unlike Royal Dutch Shell, which does maintain investments in Iran's energy sector (ref B), Philips manufactures lighting, healthcare products, and consumer electronics. Its only business with Iran, according to Kerpen and Boerman, is the sale of products such as coffee makers, electric razors, lamps, and light bulbs. Philips also sells some medical equipment to Iran; these are the only products for which Philips routinely applies for U.S. licenses. Boerman explained that over 55 percent of Philips' assets are based in the United States, and the company therefore takes compliance with U.S. export regulations regarding Iran very seriously. Although the U.S. government requires exporters to acquire a license if more than 10 percent of the medical equipment's content is produced in the United States, Philips acquires a license for any of its products with more than 2 percent of U.S. content - "just to be safe."

15. (SBU) Kerpen and Boerman expressed "dismay" at the U.S. government's suggestion that Philips had any involvement in Iran's energy sector and asked where we had obtained such information. They stressed Philips' interest in correcting any misinformation in the "national measures" campaign of the E4+1 governments (ref A). Philips takes its international reputation extremely seriously and carefully follows all UN, EU, U.S., and other international obligations related to doing business in restricted countries. The company recognizes the public relations damage that accusations of improper dealings can cause; hence its dismay at the USG's questions.

16. (SBU) Per Department guidance (ref C), Econoff explained that

during the course of discussions with our E4+1 partners, one of them had advised that Philips might be involved in licensing LNG technology to Iran. Econoff assured Philips that the USG would relay its response to our partners in order to correct the error.

GALLAGHER